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DWS News Release

For 9:00 a.m. Release

September 12, 2006

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UTAH'S EMPLOYMENT SITUATION: August 2006

Utah's number of non-farm wage and salaried jobs registered a year-over increase of 4.4 percent for August, 2006. Approximately 50,400 new jobs have been created in the Utah economy over the past year, raising total wage and salary employment in Utah to 1,202,000. Although Utah's growth rate is slowing, Utah remains within the top five states nationwide for employment growth. Utah's July employment growth rate has been revised down to 4.6 percent.

Utah's other primary indicator of current labor market conditions, the seasonally-adjusted unemployment rate, registered 3.2 percent in August, down 0.9 percentage points from the unemployment rate of 4.1 percent registered a year ago in August, 2005. Approximately 42,500 Utahns were unemployed in August 2006 as compared to 51,700 in August 2005. July's unemployment rate is unrevised at 3.4 percent. The United States' unemployment rate dipped slightly to 4.7 percent in August.

Mark Knold, Senior Economist for the Department of Workforce Services commented, "The tightening labor supply is apparently beginning to restrict Utah's economic expansion. Unemployment in the low 3-percent range represents a fully-employed labor force. Additional workers come from either non-participants entering or returning to the labor force, or a steady inflow of migrating workers. It seems that the Utah economy is experiencing a slight labor force bottleneck. It's interesting to observe states like Nevada and Arizona, who have employment growth rates higher than Utah and for longer than Utah, yet those states have unemployment rates in the mid 4-percent range—a full percentage point higher than Utah. That suggests a pretty substantial and consistent flow of in-migration into those states. Their employment growth potential keeps getting fed. Utah's in-migration, on the other hand, though historically high, still doesn't seem to be high enough to keep the engine at full throttle."

Since August 2005, the United States' economy has added 1.7 million new jobs—a growth rate of 1.3 percent. The approximately 50,400 new jobs in Utah represent a growth rate of 4.4 percent, and that represents about 3.0 percent of all the new jobs added in the United States over the past year.

Once again, all employment sectors in Utah continue to add new jobs. Some are just downright booming, like construction and the mining of natural resources. Employment gains over the past year are measured at 14.9 and 17.6 percent respectively. Rarely have those two industries seen activity as robust as the current environment. Labor is a vital input for both of these industries. Officials in both of those industries continue to indicate an ongoing need for workers. Yet their

Utah Labor Market Indicators August 2006

Employment Growth: 4.4%
Employment Increase: 50,400
Unemployment Rate: 3.2%

United States

Employment Growth: 1.3%
Unemployment Rate: 4.7%

sizzling growth rates show that despite the tight labor situation, they are still managing to find workers to meet most of their needs. This strong demand for workers makes one wonder how much more these industries have the potential to grow if they were not facing a tight labor market.

Construction continues to lead the way with the most new jobs over the past year. Approximately 13,000 new jobs were added in this sector. Construction growth is pervasive throughout the state, and is seen in both residential and non-residential activities.

One sector appears to be the sole influence for this slight slowing in the Utah economy—professional and business services. The addition of 10,300 new jobs over the past year and a growth rate of 6.9 percent is usually considered solid growth, but this sector recently added more than 12,000 new jobs over the past year. This is the only sector that has experienced a measurable throttling back of employment growth over the past three months. It appears to be largely in the employment services component of this industry represented mainly by firms that supply temporary workers to businesses. When labor becomes exceedingly tight, it is only natural that this area would be one of the first to show a significant employment slowing. Employment growth of 10 percent over the past year is significant, but it was 22 percent just two months ago. Observing this sector is one of the best barometers for gauging the onset and development of tightening labor markets that can stifle rapidly growing economies.

Manufacturing in Utah is bucking the national trend. That trend is for declining employment levels. Utah's trend, on the other hand, is moving in the opposite direction. Manufacturing payrolls have increased by 3,800 jobs over the past year, or a growth rate of 3.2 percent. Nationally, manufacturing employment has fallen by 0.5 percent. Why is manufacturing activity dynamic in Utah? One factor is the existing manufacturing base. It is not dominated by several of the declining industries seen in the eastern parts of this country, such as automobiles and parts, or textiles. A second factor is the growing population base of the western United States. Eastern-based manufacturing firms look at the country as a whole and see the strongest growth market for their products being in the west (which has strong population growth). Therefore, to be closer to this growth they will either relocate to a western state, or establish a satellite-manufacturing site in the west. The recent establishment of Kraftmaid into West Jordan is a perfect example of such a move. If a firm, such as Kraftmaid, is large enough, that company's expansion oftentimes necessitates its suppliers to also build plants in the west, allowing them to remain close and responsive to that customer.

The analysis in this narrative looks at industries at their highest levels. For example, we spoke of the professional and business services sector. But that sector is really made up of many different sub-sectors of industries. One can get an illustration of this by looking at the table on the next page, which shows just how extensive the employment expansion is here in Utah. Examine the percentage change for August over the past year on all of these various sub-sectors. All changes are positive except for two—air transportation and internet service providers. That is a picture of an economy running on all cylinders.

Utah's September employment numbers will be released at 9:00 a.m. on Tuesday, October 17, 2006.

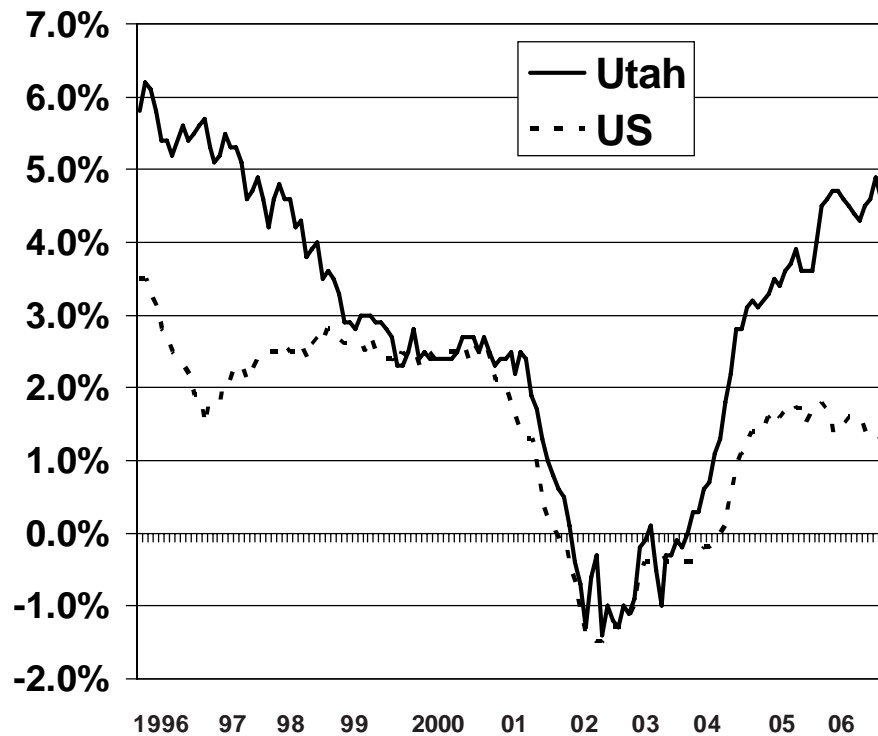
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Utah Nonagricultural Jobs by Industry and Components of the Labor Force

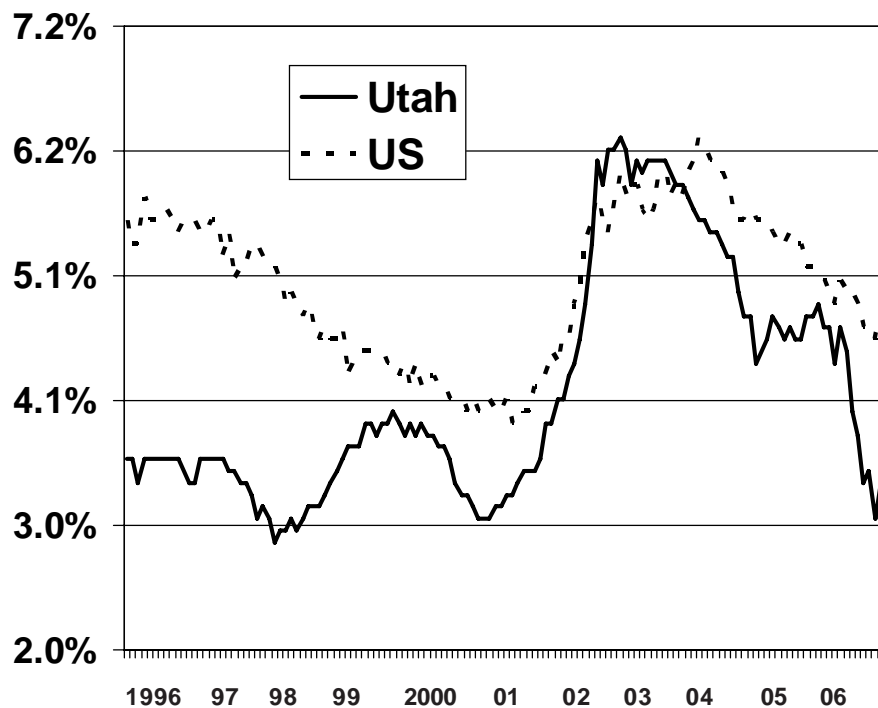
Numbers are in thousands and are <u>not seasonally adjusted.</u>	August(f) 2006	August 2005	Percentage Change	July(r) 2006	July 2005	Percentage Change
CIVILIAN LABOR FORCE	1,325.9	1,277.9	3.8	1,317.1	1,267.6	3.9
Employed	1,281.1	1,224.2	4.6	1,272.3	1,213.6	4.8
Unemployed	44.8	53.7	-16.6	44.8	54.0	-17.0
Unemployment Rate	3.4	4.2		3.4	4.3	
NONAGRICULTURAL EMPLOYMENT (Thousands)	1,202.0	1,151.7	4.4	1,193.2	1,140.3	4.6
GOODS PRODUCING	232.7	214.4	8.5	230.9	212.3	8.8
Natural Resources, and Mining	10.5	8.9	17.6	10.3	8.7	17.6
Construction	100.0	87.0	14.9	98.9	85.6	15.4
Construction of Buildings	22.3	19.1	16.6	21.9	18.7	17.5
Heavy and Civil Engineering	10.2	9.0	13.2	10.2	9.0	
Specialty Trade Contractors	67.5	58.8	14.7	66.7	58.0	15.1
Manufacturing	122.3	118.5	3.2	121.8	118.0	3.3
Durable Goods	82.0	79.3	3.4	81.7	79.0	3.4
Primary and Fabricated Metals	16.1	15.3	5.3	15.9	15.1	5.7
Computer and Electronic Products	11.1	11.0	1.2	11.1	11.0	1.2
Transportation and Equipment Manufacturing	14.5	14.4	0.5	14.5	14.4	0.6
Non-Durable Goods	40.3	39.2	2.7	40.2	38.9	3.1
Food Manufacturing	13.4	13.4	0.0	13.4	13.4	0.3
Printing and Related Support Activities	6.9	6.5	5.5	6.9	6.6	5.4
SERVICES PROVIDING	969.3	937.3	3.4	962.2	927.9	3.7
Trade, Transportation, and Utilities	233.1	227.5	2.5	232.4	225.3	3.1
Wholesale Trade	45.0	43.6	3.2	44.8	43.4	3.2
Retail Trade	139.5	136.4	2.3	139.0	134.5	3.4
Motor Vehicle and Parts Dealers	18.0	17.5	3.0	17.9	17.3	3.3
Food and Beverage Stores	23.0	22.5	2.3	22.9	22.1	3.5
General Merchandise Stores	26.7	26.2	1.6	26.5	26.1	1.6
Transportation and Utilities	48.6	47.5	2.4	48.6	47.5	2.4
Utilities	4.0	4.0	2.4	4.1	4.0	2.7
Transportation & Warehousing	44.6	43.6	2.3	44.5	43.5	2.4
Air Transportation	6.6	6.8	-3.3	6.6	6.9	-3.6
Truck Transportation	18.0	17.7	1.5	18.0	17.7	1.4
Information	33.7	33.1	2.1	33.5	32.5	3.1
Publishing Industries	9.4	9.3	1.7	9.5	9.3	1.6
Motion Picture and Sound Recording	5.2	5.1	0.5	4.8	4.8	1.0
Telecommunications	5.8	5.8	0.6	5.9	5.8	0.6
Internet Service Providers	8.0	8.3	-3.7	7.9	8.1	-3.6
Financial Activities	71.3	68.1	4.7	71.0	67.9	4.5
Finance and Insurance	53.6	51.5	4.1	53.4	51.4	3.9
Real Estate and Rental and Leasing	17.7	16.6	6.7	17.6	16.5	6.5
Professional and Business Services	160.4	150.1	6.9	159.6	148.3	7.6
Professional, Scientific, and Technical Services	61.3	55.3	10.8	61.2	55.1	11.1
Architectural, Engineering, and Related	12.2	11.0	10.4	12.1	11.0	10.4
Computer Systems Design and Related	13.5	12.3	9.6	13.5	12.2	10.6
Management of Companies and Enterprises	21.3	21.0	1.1	21.3	21.0	1.5
Administration & Support						
& Waste Management & Remediation	77.9	73.7	5.6	77.1	72.3	6.8
Employment Services	25.9	23.5	10.1	24.9	22.1	12.8
Business Support Services	17.2	17.1	0.6	17.3	17.2	0.6
Education and Health Services	130.6	125.8	3.8	129.8	124.7	4.1
Educational Services	26.7	25.5	4.8	26.2	25.0	4.8
Health Services and Social Assistance	103.9	100.3	3.6	103.6	99.7	3.9
Ambulatory Health Care Services	39.6	38.0	4.3	39.5	37.6	4.9
Hospitals	29.9	29.1	2.7	29.9	29.0	3.0
Nursing and Residential Care Facilities	19.7	19.0	3.8	19.6	19.0	3.6
Social Assistance	14.6	14.2	2.9	14.6	14.1	3.3
Leisure and Hospitality	110.7	106.9	3.6	108.9	106.2	2.6
Arts, Entertainment, and Recreation	17.9	17.2	3.7	17.8	17.3	3.2
Accommodation and Food Services	92.9	89.7	3.5	91.1	88.9	2.5
Accommodation	18.3	17.6	3.7	18.2	17.6	3.6
Food Services and Drinking Places	74.6	72.1	3.5	72.9	71.3	2.3
Other Services	35.2	34.2	3.1	35.3	34.3	3.1
Government	194.1	191.7	1.3	191.7	188.7	1.6
Federal Government	36.7	36.2	1.6	36.9	36.3	1.6
Federal Defense	16.6	16.3	1.7	16.7	16.4	1.7
Other Federal Government	20.2	19.9	1.6	20.2	19.9	1.6
State Government	60.5	59.8	1.2	60.0	58.9	1.9
State Schools	32.4	31.7	2.0	31.3	30.7	2.0
Other State Government	28.1	28.1	0.2	28.6	28.2	1.7
Local Government	96.9	95.7	1.3	94.8	93.6	1.3
Local Education	50.4	49.9	1.1	48.3	47.6	1.4
Other Local Government	46.5	45.8	1.5	46.6	45.9	1.3

Source: Utah Department of Workforce Services f = forecast r = revised September 12, 2006

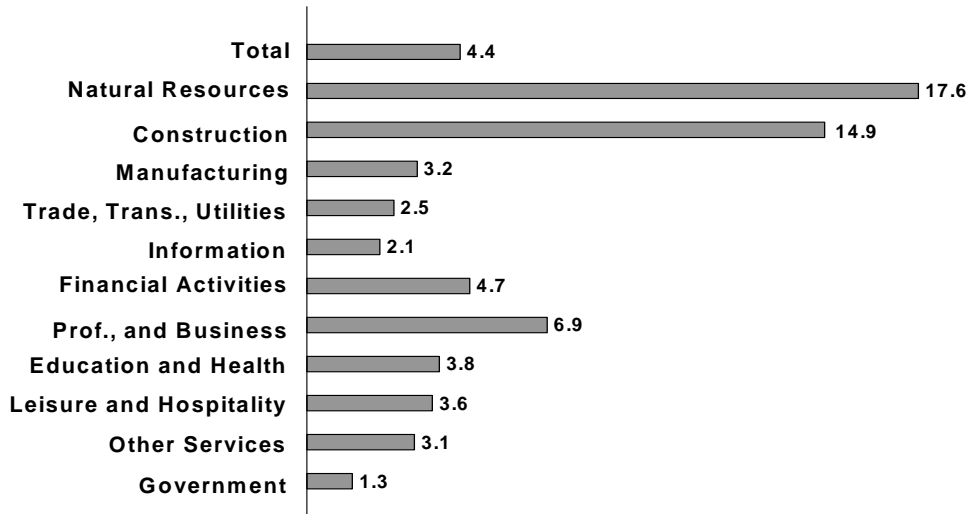
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

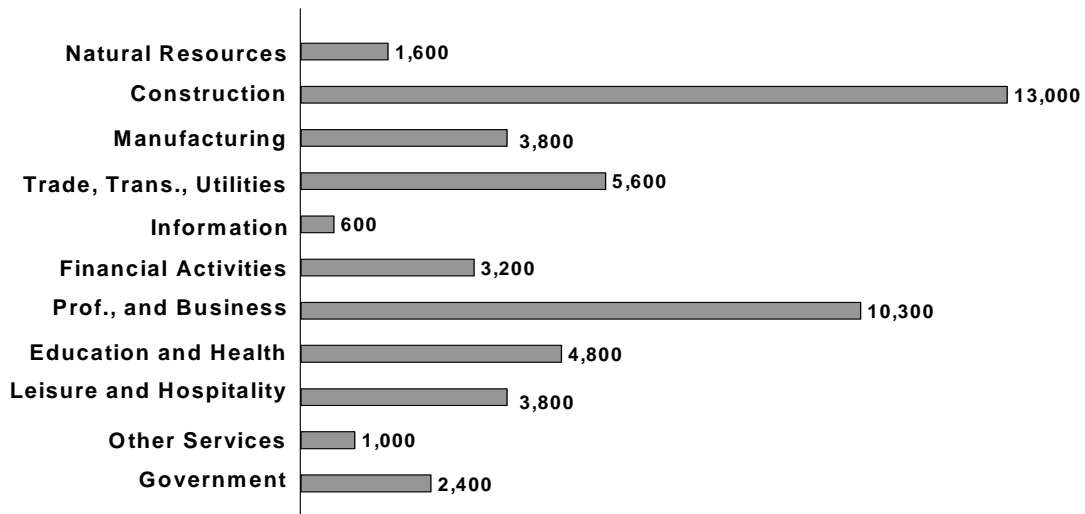


Utah Nonfarm Job Growth (Percent Change) August 2005 – 2006



Source: Utah Department of Workforce Services

Utah Nonfarm Job Growth (Numeric Change) August 2005 – 2006



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	August 2006(f)	August 2005	Percent Change	July 2006(r)	June 2006(r)
State Total	1,202,013	1,151,683	4.4	1,193,182	1,204,664
Bear River	66,551	64,965	2.4	65,347	68,629
Box Elder	19,995	18,965	5.4	19,895	20,336
Cache	45,700	45,150	1.2	44,600	47,500
Rich	856	850	0.7	852	793
Wasatch Front	794,242	763,759	4.0	788,581	788,880
North	196,465	190,514	3.1	195,509	196,252
Davis	101,158	97,392	3.9	100,919	101,670
Morgan	1,869	1,841	1.5	1,865	1,979
Weber	93,438	91,281	2.4	92,725	92,603
South	597,777	573,245	4.3	593,072	592,628
Salt Lake	582,632	559,023	4.2	577,969	577,328
Tooele	15,145	14,222	6.5	15,102	15,300
Mountainland	198,485	190,108	4.4	196,835	200,065
Summit	20,053	18,023	11.3	19,762	19,621
Utah	172,127	166,459	3.4	170,831	173,748
Wasatch	6,305	5,626	12.1	6,241	6,697
Central	23,740	22,660	4.8	23,714	25,006
Juab	3,404	3,216	5.8	3,415	3,445
Millard	3,970	3,855	3.0	3,968	4,132
Piute	287	310	-7.4	312	315
Sanpete	6,776	6,507	4.1	6,778	7,628
Sevier	8,086	7,625	6.0	8,040	8,289
Wayne	1,217	1,147	6.1	1,201	1,197
Southwestern	75,514	70,346	7.3	75,561	77,091
Beaver	2,026	1,974	2.6	2,018	2,135
Garfield	2,756	2,700	2.1	2,750	2,718
Iron	15,813	14,778	7.0	15,761	16,535
Kane	3,683	3,316	11.1	3,654	3,649
Washington	51,236	47,578	7.7	51,378	52,055
Uintah Basin	20,525	18,125	13.2	20,384	21,361
Daggett	628	549	14.4	627	633
Duchesne	6,651	5,940	12.0	6,575	6,801
Uintah	13,245	11,636	13.8	13,182	13,926
Southeastern	22,956	21,720	5.7	22,760	23,632
Carbon	9,470	8,798	7.6	9,372	9,863
Emery	4,250	3,923	8.3	4,249	4,257
Grand	5,077	4,949	2.6	5,100	5,128
San Juan	4,158	4,050	2.7	4,039	4,384

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 9/12/06